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# THE Agricultural Situation

**NOVEMBER 1951**

**Volume 35      Number 11**

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# Cotton Carry-over Smaller in Recent Years Not Large Next Year Despite Big Crop

## NO ACREAGE CONTROLS ON COTTON NEXT YEAR

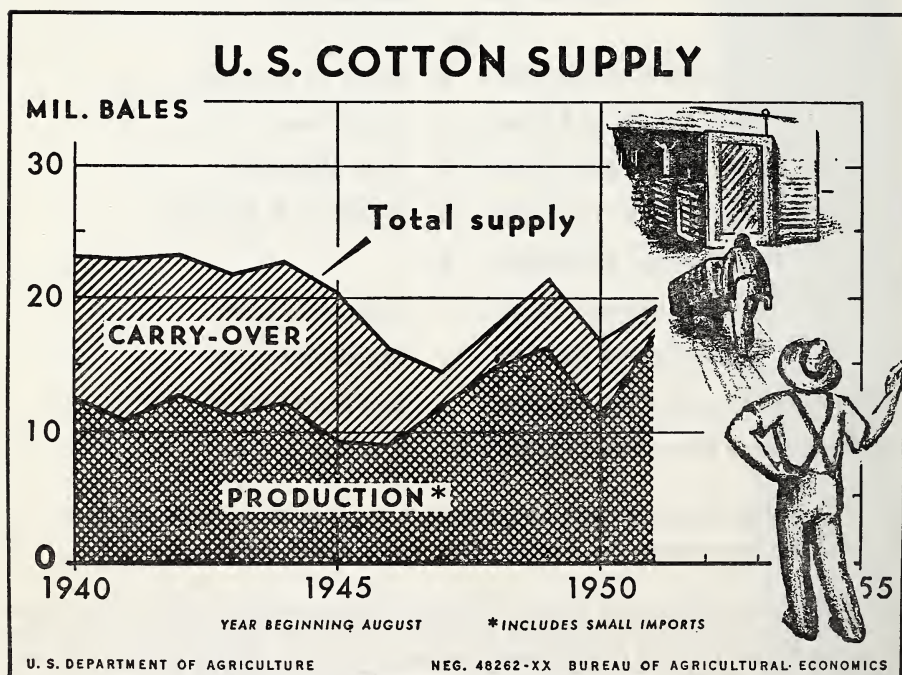
**T**HE SUPPLY of United States cotton in the 1950-51 marketing year (August 1, 1950, to July 31, 1951) was more than one-fifth smaller than in the preceding season. The carry-over of 6.8 million bales on August 1, 1950 was relatively large. However, the 1950 crop was the smallest since 1934, except for 1945 and 1946, and demand at home and abroad was strong. As a result, carry-over at the end of the season was only 2.2 million bales, the smallest since 1925. It was this situation that the United States faced when this year's large acreage was planted.

Despite the big crop this year, esti-

mated in October at 16.9 million bales, carry-over next year is not expected to be large. Continued high domestic consumption and a substantial increase in exports are likely to result in a relatively small carry-over of about 3 million bales at the end of the marketing season (July 31, 1952).

The Secretary of Agriculture has announced there will be no acreage controls or marketing quotas on cotton in 1952. Such controls are ruled out because of the high consumption rate and the legal requirements for reserve supplies.

Frank Lowenstein  
*Bureau of Agricultural Economics*



# Half Our Fruits And Nuts Come From One State

**H**AVE YOU wondered, when you are in the super food market or the corner grocery, why they usually have more fruits and nuts from California than from any place else?

In 1950, California had 1,491,000 acres in fruits and nuts—about a third of the United States total in fruits and nuts. Of the California totals grapes had a little over 500,000 acres, oranges about 225,000 acres, walnuts 135,000 acres, prunes 110,000, almonds 108,000 and peaches 90,000 acres. Practically all of the commercial acreage of olives, dates, and figs in the United States is in California.

California is credited with about half of the total fruit and nut tonnage in the Nation. California produces about one-half of the United States production of peaches, one-third of the pears, about nine-tenths of the grapes, and practically all of the figs, dates, olives, and almonds. In addition California has a high percentage of the United States production of English walnuts, avocados, and several other fruit crops.

One may wonder why the State farthest away from the eastern consuming centers would produce the largest volume of perishable fruits. There are several reasons, most of them weather: First, the right temperature throughout the season; second, adequate sunlight; third, the right atmospheric moisture.

California is favored by most of these conditions. There is freedom from extremes of temperatures; abundance of sunlight and a low degree of humidity.

Many of us may not know about the variation of climate occurring in the State of California. While in most regions latitude is an important indication of the location and kinds of fruit grown, in California this is not the case. In this State apples and oranges are grown in the same general latitude. And some fruits in suitable interior situations ripen earlier in the

season in the northern parts of the State than in the coastal valleys of the South.

Another interesting point is that California contains a hundred million acres and varies from deserts as much as 280 feet below sea level to Mount Whitney with an altitude of 14,502. In the State there are coastal areas, interior large valleys, foothills, and mountainous regions. In each of these areas, there are large variations as to temperature, humidity, rainfall, and sunlight. And fruit and nut growers take advantage of the most favorable conditions.

## Most Fruits Not Native

While some fruits are native to California, practically all of the cultivated fruits and nuts were introduced into the State. The fruit industry was started there in the eighteenth century with the establishment of missions. Before 1805, more fruit was grown than could be marketed. The demand for fruit was stimulated by the gold rush of 1848 and through pruning, cultivation, and irrigation, many of the old orchards were again placed into production and many new plantings were made. By 1857, the supply again greatly exceeded the demand and for the next decade not much development occurred except for the appearance of raisins and dried prunes in 1863 and the development of the canning industry. Prior to the completion of the transcontinental rail lines, very little fresh fruit was moved out of California. In 1869, the first shipment of fresh fruit was sent over land by rail and in 1886 the first full train of 15 cars of fresh deciduous fruit went over land. In 1950 California shipped 278,255 cars of fruit and vegetables.

O. M. Frost

*Bureau of Agricultural Economics*



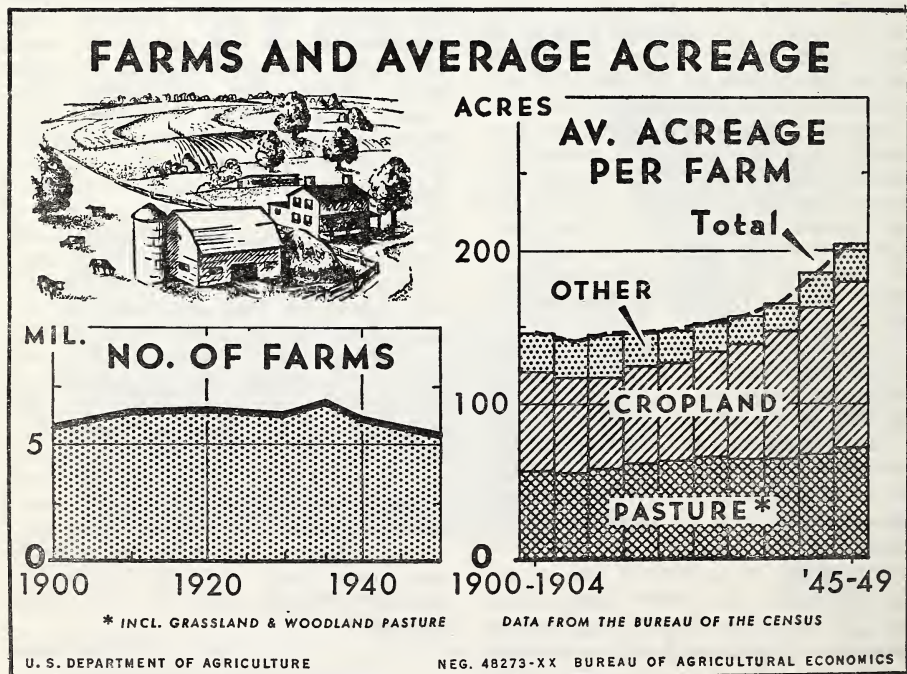
# Fewer Farms, But Larger

**AVERAGE UNITED STATES FARM IS NOW ABOUT  
200 ACRES**

**W**HILE THERE are now about 6 percent fewer farms than in 1900, the average acreage per farm has risen from 146 to 203 acres, an increase of 39 percent. There has been a fairly steady increase in farm size since 1925 when mechanization became a significant factor in several regions. Along with the shift to more machinery on farms there has been a decline in the number of small tenant and share-cropper-operated farms, thus reducing the number of farms and the average size of farms. There also has been a change in the definition of a farm which tended to eliminate from the total number of reported farms, many of the small part time and rural residence type of farms.

More acreage has been brought into farms since 1935 by development of new crop and pasture land by clearing, drainage and irrigation, and additions of acreage by purchase and leasing of both private and public grazing land in the Western States and parts of the South. The improvement and fencing of pastures and the elimination of free range grazing, or grazing in common, in the South has added materially to reported farm acreages in several States. Likewise increases in leases of public land and individual allotments for grazing have added to the reported farm and ranch acreage in the Western States.

Hugh H. Wooten  
*Bureau of Agricultural Economics*



# Farmers Have a Stake In Half of Nation's Trucks

**A**GRICULTURAL PRODUCTS and farm supplies, including canned foods and other processed items, are hauled not only in farm trucks, but also in trucks owned and operated by others. In all, agriculture seems to have a reasonably direct interest in at least half of all the trucks in the country.

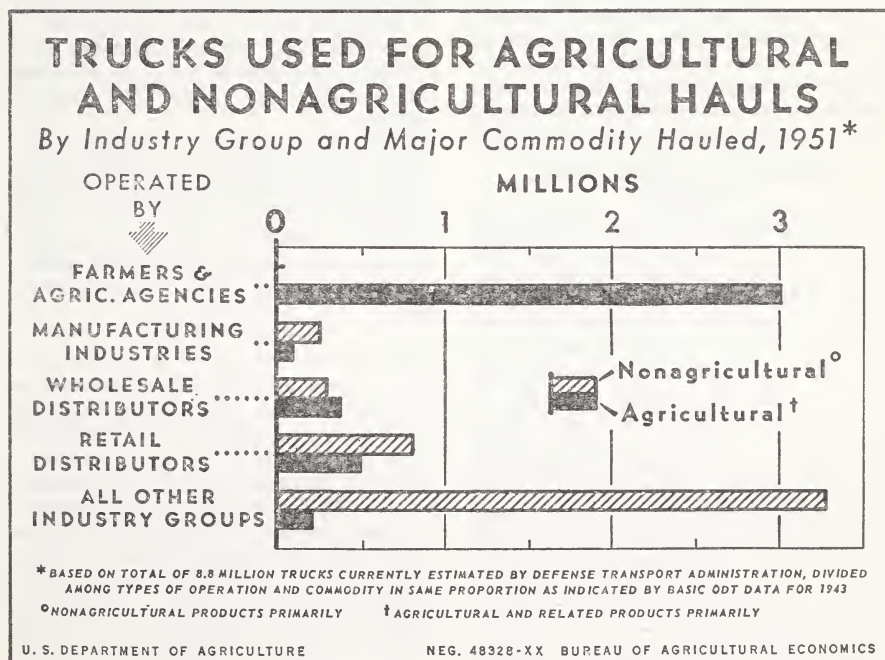
## Based on ODT Figures

No survey has been undertaken recently to measure the proportion of all trucks used for hauling agricultural and related commodities. The only information at hand was collected during World War II by the Office of Defense Transportation in connection with applications for certificates of war necessity. That information classified trucks according to occupation of operators and the principal type of com-

modity hauled in 1943. The unique aspect of the ODT survey is the fact that it obtained the only national data showing the number of trucks used primarily for hauling various types of products. Hence, it provides a useful point of departure for making some rough estimates on a current basis.

## Farm Trucks Third of Total

About 34.2 percent of all trucks in 1943 were owned by farmers and "agricultural agencies," which include firms and corporations engaged in farming, dairying, animal husbandry, fishing and forestry (except logging and timber operations). These trucks not only hauled strictly agricultural products and farm supplies, but also were used for miscellaneous work done by farmers, such as road repairs under contract to the local highway departments.



## Other Trucks Haul Farm Stuff

Truck hauls of agricultural products do not end with the farm trucks. In fact, nearly a quarter of the trucks owned by manufacturing industries were reported to haul primarily agricultural commodities, including processed foods and fibers.

The major classifications of commodities hauled by trucks owned by manufacturing industries include animal and poultry products, fresh fruits and vegetables, grain, and animal and vegetable fibers.

Fifty-six percent of the vehicles operated by wholesale distributors carried such agricultural products as live animals and poultry, crude animal and poultry products, fresh fruits and vegetables, animal feeds, and farm supplies. Retail distributors employed 39 percent of all their trucks in the movement of agricultural commodities, principally processed foods, fresh fruits and vegetables, and dairy products. The relative extent of agricultural haulage among the for-hire carriers was understated on the basis of "principal commodity," because many processed agricultural products—e.g., canned goods—are hauled by "general commodity" carriers. The degree of understatement is not known, but even without allowance for it, about 14 percent of the for-hire vehicles were shown to haul primarily agricultural products.

## 4 Million Trucks Haul "Ag" Products

For estimating purposes it is assumed that the 1943 data are still indicative of the distribution of trucks among industry groups and of the proportion utilized in hauling agricultural and related products. Applying these proportions to 1951 registrations, there are about 3 million trucks owned by farmers and "agricultural agencies," and about 1.2 million others utilized principally in hauling agricultural and related products. This makes a total of 4.2 million vehicles, which represent 47.5 percent of all trucks in the Nation. Allowance for under-counting, especially in the for-hire carrier group, probably would raise this figure above the 50 percent mark.

Almost all of the trucks owned by farmers are operated locally, which

# Outlook Highlights

... NOVEMBER, 1951

## Farm Prices and Income

With the defense program getting into high gear, the outlook for farmers' prices and net incomes next year is relatively favorable. By next fall, it is expected that spending for defense will be at an annual rate of around 65 billion dollars, compared with 41 million dollars in the third quarter.

Larger expenditures for defense will give a further boost to consumer income, in the coming year, enabling a continued strong demand for farm products and other goods and services. However, higher taxes will restrict somewhat the rise in disposable income of consumers. Food per person in the coming year probably will be above 1950, even though the population will be about two million larger.

Foreign demand for farm products should hold fairly strong. In the 1951-52 season, more cotton and tobacco, about as much wheat and less coarse grains, dairy and poultry products may be exported than in the past season.

The demand picture indicates that farmers are likely to turn out a record production next year if weather permits.

In most cases, large supplies probably would hold prices received by farmers near the 1951 level, despite the stronger demand. However, a poor growing season next year could put considerable upward pressure on prices, especially toward the last half of the year.

*(Continued on page 9)*

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means that virtually all of the agricultural products hauled over the road move in trucks owned and operated by other occupational groups. Taking all levels of distribution into account, roughly half of all the trucks engaged in local service are used for hauling agricultural products primarily. About a third of all trucks operated in over-the-road service have agricultural products as their principal cargo items.

Margaret R. Purcell

*Bureau of Agricultural Economics*



# Grass and Legume Seeds Adequate

## RECORD CARRY-OVER FROM LAST YEAR MAKES UP FOR THIS YEAR'S SMALLER PRODUCTION

**H**ARVESTING OF GRASS and legume seeds is fast drawing to a close. Acreage of 28 of these seeds for which production forecasts have been made is estimated at 4,548,000 acres. This is 28 percent smaller than the record 1950 acreage of nearly 6.3 million acres, but 4 percent above the 1940-49 average. Yields per acre of 19 kinds are smaller than last year's above-average yields. Weather was unfavorable for development of several kinds of seeds. Production was also affected by the decline in prices of many seeds from the high levels in 1949, by large carry-overs of a majority of seeds, and by increased demands for food crops, and other crops which competed for the growers' time and acreage.

Decreased production of these seeds this year, however, is nearly offset by the record carry-over. Current supply (1951 production plus carry-over) of 1,231,000,000 pounds of clean seed is only 5 percent smaller than the record supply of nearly 1.3 billion pounds last year. And the supply is 64 percent larger than the 10-year average. Current supplies of alfalfa, clovers, and grasses exceed slightly those of a year ago. The supply of winter cover crop seeds, however, is 11 percent below that of last year.

Weather this year was less favorable for seed harvest than last year. Compared with the usual time for harvest, this year's seed crops were late, though some were earlier than usual.

### Prices Lower

Movement of the 1951 crops of grass and legume seeds from farms has been slower than usual. This is attributed in part to the lateness of the harvest and declines in prices from last year.

Prices that farmers have been paying this fall for most kinds of grass and legume seeds are lower than during the fall of 1950, and also lower than last spring. Noticeable exceptions are the

higher prices than last fall for alfalfa, alsike clover, common ryegrass, wild winter peas, common and purple vetch, and lupine. Of the seeds under review, only crested wheat grass is priced higher this fall than last spring.

Imports of alfalfa and clover seed during the year ended June 30, 1951, were slightly smaller than in the preceding year, but nearly a third above average. Imports of grass seed were a fifth larger than last year and four-fifths above average.

Exports of alfalfa and clover seed were twice as large as for the preceding year, but a fourth below the average exports. Grass seed exports were nearly a fourth larger than a year ago, but only a little over half as large as average exports.

### Prospects, Various Seeds

**Alfalfa:** This year's crop of alfalfa seed is slightly smaller than the very large 1950 crop, and nearly two-thirds of the total production occurs in Northern and Central States, whereas last year a little over half the production was in those States. The crop in the southern producing area declined from 46 percent of the total United States production last year to only 37 percent this year, but probably most of the record carry-over is from that area. Acreage covered by applications from growers in the southern producing area, as well as in other areas, for certification of improved varieties adapted for growing in the North is about 70 percent larger this year than last. Because of the record carry-over and large crop this year, supply of alfalfa seed for planting this fall and next spring is 8 percent larger than that of last year and 61 percent above the 1940-49 average.

**Red Clover:** The 1951 production of red-clover seed is nearly a third smaller than the record 1950 crop, but about a seventh larger than average. The sharp decline from last year is

due almost entirely to the 36-percent reduction in acreage, as the yield per acre is only a few pounds smaller this year than last. The record carry-over, equal to more than one-third of the 1950 crop, nearly offsets the decline in production this year. Current supply of this seed is only 5 percent smaller than last year and a third larger than average.

**Alsike clover:** This year's crop of alsike-clover seed was harvested from the smallest acreage in 9 years, but the yield was 36 pounds per acre above average. The 1951 production is 2 percent larger than last year, but 3 percent below average. This seed has been moving slowly from growers' hands at prices lower than last year, but slightly higher than average.

**Sweetclover:** Production of sweet-clover seed this year is 44 percent smaller than last year, but 20 percent above average. Ninety-one percent of the Texas crop, or nearly one-fourth of the United States sweetclover seed crop this year, is Hubam. Supply of sweetclover, although 7 percent below last year, appears ample.

**White and ladino clover:** This year's crops of white and ladino clover seed are the largest ever harvested. Record acreages and above-average yields per acre resulted in crops of these seeds each a fourth larger than last year and very much above average. These factors, together with record carry-overs, point to supplies much above average.

**Timothy:** With grower's prices in 1950 less than half those of 1949 and opening prices this year much lower than last year, together with unfavorable weather for harvest, growers this year reduced their 1950 acreage for seed by one-fifth. Decreased production this year, however, is more than offset by the relatively large carry-over, and current supply is 13 percent larger this year than last, but 4 percent below average.

**Redtop:** Production of redtop seed this year is nearly one-seventh smaller than last year and nearly one-fifth below average. Decrease from last year is due chiefly to the below-average yields this year. Because of a much larger carry-over this year than last, current supply of redtop seed is a fifth

larger than last year, but a fourth below average.

**Kentucky bluegrass:** This year's crop of Kentucky bluegrass seed is a third smaller than the large 1950 crop, but a fifth above average. Because of the low percentage of recleaned seed obtained this year from rough, cured seed, the estimated quantity of 1951-crop recleaned seed is 10.3 million pounds less than in 1950. But much of this deficit is offset by a carry-over into the 1951 crop of 10 million pounds, which is nearly 7.2 million pounds larger than a year ago.

**Orchardgrass:** Acreage of orchardgrass for seed this year is the largest ever harvested, but because yield per acre is 2 bushels less than last year, the 1951 production is 6 percent smaller than the record 1950 crop, but 50 percent above average. Exports of this seed during the year ended June 30, 1951, exceed imports by about 52,000 pounds. However, during the last few months imports have greatly exceeded exports.

**Fescues:** Chewings, meadow, red, and tall fescue seed crops are 40, 40, 51, and 3 percent, respectively, smaller this year than last. Reductions from last year in acreages of meadow and red fescue seed, and smaller yield per acre for each of the four fescues account for smaller crops of all these fescues this year. Because of the brisk demand in recent years for tall fescue, particularly Kentucky 31, the acreage harvested for seed this year was 28 percent larger than in 1950 and nearly nine times the 5-year average. But yield per acre this year is much smaller than in 1950, and also below average. Current supplies (1951 production plus carry-over) of meadow and tall fescue are the same as last year, but supplies of Chewings and red fescue are much smaller than last year.

**Smooth brome:** This year's production of smooth brome seed is only half the record 1950 crop, but it is half again as large as the average. Adding the record carry-over to this year's production gives a supply that is a fourth smaller than last year, but nearly twice the average supply.

**Crested wheatgrass:** Production of crested wheatgrass seed this year is only one-third of the large 1950 crop

and less than three-fifths of the 1945-49 average. Because of the small crop this year and a slightly smaller carry-over than in 1950, current supply of this seed is only 43 percent of last year and 71 percent of average.

**Sudangrass:** Production of Sudan-grass seed this year is 29 percent larger than last year and 14 percent above average. Sweet Sudan accounts for 57 percent of the total 1951 production and nonsweet varieties or types, including common, No. 23, Wheeler, and Tift, account for 43 percent. Current supply of Sudangrass is 23 percent larger than last year, but 10 percent below the 1940-49 average.

**Winter cover crops:** This year's production of winter cover crop seeds—crimson clover, Austrian winter peas, lupine, vetches, and ryegrasses—is only 30 percent of the record 1950 production and 88 percent of the 1940-49 average. But because of the record carry-overs of some of these seeds, the

supply available for planting this fall is only 11 percent smaller than last year, and more than twice the average. This year's supply of winter cover crop seeds is more than twice as much as was planted last year. The large surplus over domestic requirements currently for the group as a whole is attributed chiefly to the record carry-overs of Austrian winter peas and lupine.

Current supplies of 28 kinds of legume and grass seeds appear to be adequate for planting this fall and next spring. There is 30 percent more alfalfa and clover seed available than was consumed during the 1950-51 season, when nearly a fourth more than usual was used. Supply of grass seed is about 45 percent larger than the quantity sown during the 1950-51 season and about 50 percent above the average domestic requirements.

George C. Edler  
*Bureau of Agricultural Economics*

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## Outlook Highlights

*(Continued from page 6)*

If farm marketings are larger and if prices average near 1951 levels, farmers' cash receipts next year would be above 1951 levels. But, since production costs will rise, farmers' net income probably would be about the same as this year.

### Farmers Income Below '47 Peak

The net income realized by farm operators this year—around 15 billion dollars—is about 2.3 billions above the postwar of 1950. But it is 2 billion below the peak of 1947. Because of rising costs of living, although the purchasing power of farmers' net income in 1951 is higher than in 1949 and 1950, it is otherwise the lowest since 1941.

Nonagricultural personal income, which has risen each year since 1938, is reaching a new record in 1951 and is expected to go still higher in 1952.

### Poultry and Eggs

Egg production next spring probably will be above the same period of

1951. Farmers are likely to have 2 to 4 percent more potential layers on January 1, 1952, than a year earlier. The rate of lay probably will be higher than this year. Demand will be strong. Prices of eggs probably will average about the same or a little lower than last spring.

The chicken meat supply for next year will include more broilers and about the same amount of farm chicken. Demand probably will be strong enough to hold prices near 1951 levels.

Growers are likely to continue increasing their output of small turkeys next year. It is easier to grow small birds on a year-round basis than large birds; and the small ones are more suitable for year-round consumption.

### Wool

With the national sheep herd increasing in size, wool production in 1952 probably will be somewhat larger next year. Prices to growers next year probably will average above the September 1951 level of 66.9 cents. Prices are not likely to rise to the record level of last spring.

*(Continued on page 14)*



# Fewer Tenant Farmers Larger Proportion of Owners

**T**HE TOTAL NUMBER of farms in the United States reached a peak, in 1935, of 6,800,000 farms. Since then the number has decreased each census year until the preliminary figure for 1950 is 5,380,000 farms. Along with this decrease in number of farms, there has been an increase in the total amount of land in farms. In 1935, the acreage in farms was 1,055 million; while for 1950, the estimated acreage is 1,150 million. This increase in the amount of land in farms, when coupled with a reduction in the number of farms, means that the average size of farm has increased very rapidly. In 1935 the average acreage was 155; the estimate for 1950 is slightly over 200. Technology has played an important role. A family can now handle more land.

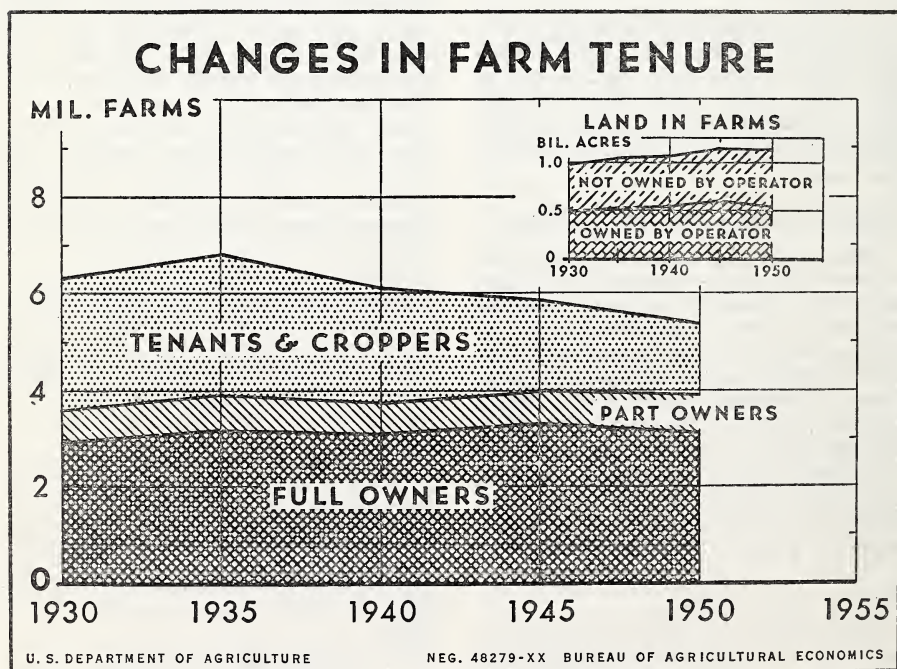
These shifts have been accompanied by important changes in the number and proportion of farms in the various tenure groups. The decline in the number of full-owner farms since 1935

has been slight, 3,210,000 to an estimated 3,100,000, but the percentage increase in full-owner, has been large—47 percent in 1935 to an estimated 58 percent in 1950. On the other hand, tenant farmers have declined in both number and proportion—from 2,900,000 to around 1,400,000, or from 42 percent to around an estimated 26 percent. The number of croppers in 1950 will probably be less than one-half the number in 1935.

The rapid decline in the percentage of farms operated by tenants might be misleading for the proportion of land not operated by its owner is estimated to be larger in 1950 than in earlier years. In 1935 farmers owned almost exactly half of the land they operated, while in 1950 it is estimated that they will own only about 47 percent of the land in farms.

Marshall Harris

*Bureau of Agricultural Economics*





# Juices Play Increasing Part In Total Orange Consumption

**N**EARLY HALF of the oranges consumed by civilians in 1950 were eaten in the form of canned and frozen orange juice. This is in sharp contrast to consumption in 1941, when about one-tenth were eaten as canned juice and the other nine-tenths as fresh oranges. At that time, canning of oranges as an outlet for the rapidly increasing production was still in the experimental stage, especially to improve flavor and palatability. Moreover, methods of manufacturing frozen orange concentrate commercially had not yet been developed.

## Frozen Making Headway

Commercial production of frozen orange concentrate got under way in 1946 in Florida. In 1951, about one-fourth of the Florida crop was made into frozen concentrate, and in California a smaller proportion of the crop.

The advent of frozen orange concentrate has not only provided growers with another outlet for oranges but has also given consumers another form in which the oranges may be eaten.

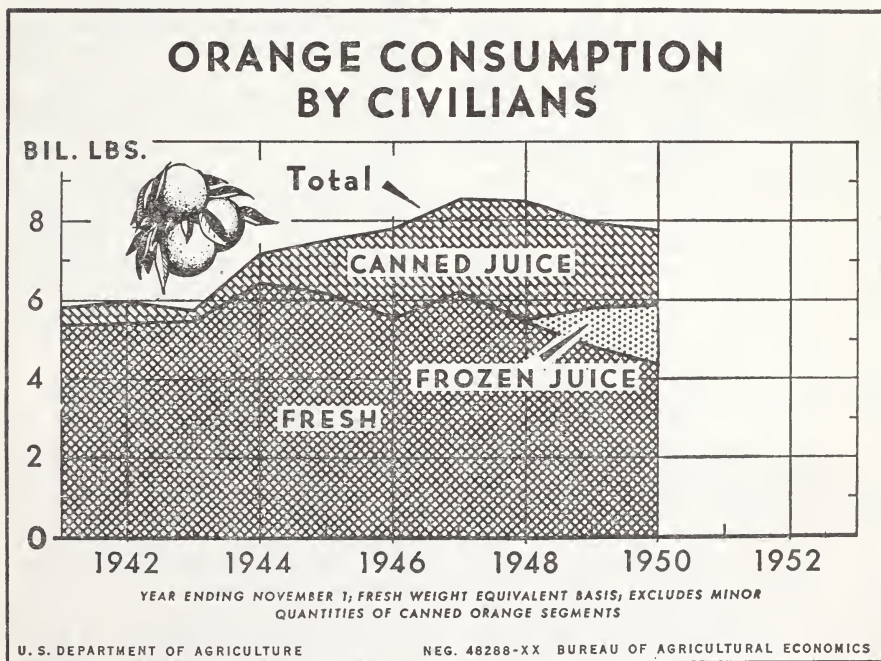
## Only Half Sold Fresh in '51

For 1951 it is tentatively estimated that civilian consumption of frozen orange concentrate may surpass slightly that of canned orange juice, while consumption of fresh oranges will drop to about half of the total consumption of oranges.

Total consumption of oranges in 1951 is expected to be about one-tenth larger than in 1950—when the crop was reduced—and about the same as the previous high levels in 1947 and 1948.

Ben H. Pubols

*Bureau of Agricultural Economics*



# Farmers Owe More Than Year Ago ... But They Are Worth More

**P**HYSICAL ASSETS of American agriculture increased 15 percent in current valuation during 1950 but only 2 percent in terms of 1940 prices. Financial assets increased only 2 percent in current valuation; and the buying power of the "monetary" portion of these assets (deposits, currency, and United States savings bonds) for purposes other than debt-payment went down 9 percent. Total indebtedness, aside from commodity credit loans, increased 13 percent. As a result of these changes, the current value of proprietors' equities, including those of both operators and nonoperating landlords, increased 14 percent during 1950.

Dollar-wise, the largest increase during 1950 was in the value of farm real estate which increased 14 percent to a total of nearly 73 billion dollars. The rise in farm land values was particularly marked in the last half of the year, following the outbreak of the Korean hostilities.

The value of livestock and poultry on farms was nearly 18 billion dollars on January 1, 1951, approximately a third more than a year earlier. Of the balance sheet items, only the value of real estate exceeded this amount. There were more cattle, hogs, and sheep on farms but fewer horses, mules, chickens, and turkeys. The value per head of all livestock except horses and mules was higher on January 1, 1951, than they were a year earlier. As in other recent years, a decrease occurred in the inventory value of horses and mules on farms. Both numbers and values per head declined as the consequence of the substitution of mechanical power for animal power.

## Large Machinery Purchases

Machinery and motor vehicles on farms on January 1, 1951, were valued at 15.5 billion dollars compared with 14.3 billion at the beginning of 1950. This increase resulted partly from higher prices but mainly from the exceptionally large quantity of motor vehicles and farm machinery that

farmers bought in 1950. Purchases during the year were the largest on record, amounting to 4.2 billion dollars compared with 3.8 billion in 1949. Purchases of farm machinery amounted to 1.7 billion dollars; of automobiles 1.1 billion; of tractors, 1.0 billion; and of motor trucks, 441 million.

## Crops Stored, Money in Bank

The value of all crops stored on farms, including those sealed under Commodity Credit Corporation loans, totaled 7.7 billion dollars on January 1, 1951. This was about 900 million dollars, or 14 percent more than a year earlier. Higher prices accounted for the increased value, as the physical quantity of crop inventories declined slightly during this period.

The value of household furnishings and equipment on farms increased to 7.2 billion or approximately 10 percent from the 6.5 billion dollars of January 1, 1950. Sales of furniture and equipment to farmers continued at a high level during 1950 despite the fact that prices were higher than in the year before.

Farmers appear to have increased their liquid financial reserves during 1950. The combined amount of bank deposits, currency, and United States savings bonds owned by farmers is estimated to have increased about 200 million dollars in 1950. This increase—about 1 percent—reversed the decline of the preceding 2 years, during each of which the liquid financial reserves of farmers dropped about 300 million dollars.

## Mortgages and Other Liabilities

Farm-mortgage debt increased 7.8 percent during 1950 to a total of 5.8 billion dollars. Since 1946 when the lowest level in more than three decades was reached, farm-mortgage loans outstanding have increased about a fourth. The sizeable increase in farm-mortgage recordings in 1950 represented a 10-percent increase in average size and a 7-percent increase in number of mortgages recorded. The in-

crease in average size reflects largely the sharp increase in real estate values.

The non-real-estate debt of farmers, excluding price-support loans made or guaranteed by the Commodity Credit Corporation, reached more than 6 billion dollars at the beginning of 1951. This was 18 percent higher than a year earlier and 115 percent above January 1, 1946. The rise in non-real-estate debt during 1950 is a resumption of the rapid rate of expansion that prevailed from the end of the war to 1949, when

a marked slackening in the rate of increase occurred. Following the Korean outbreak, the use of non-real-estate credit increased rapidly. Data from production credit associations indicate that the non-real-estate credit expansion that began in the summer of 1950 resulted more from the increase in the amount borrowed per farmer than from an increase in the number of farmers using credit.

Norman J. Wall  
*Bureau of Agricultural Economics*

## *Comparative balance sheet of agriculture, United States, Jan. 1, 1940, 1950, and 1951<sup>1</sup>*

Item	In current dollars			With physical assets valued at 1940 prices		
	1940	1950	1951	1940	1950	1951
<b>ASSETS</b>						
Physical assets:	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
Real estate.....	33,642	63,527	72,650	33,642	<sup>2</sup> 33,642	<sup>2</sup> 33,642
Non-real-estate:						
Livestock.....	5,133	<sup>3</sup> 13,184	17,517	5,133	<sup>3</sup> 4,875	5,017
Machinery and motor vehicles.....	3,118	<sup>3</sup> 14,271	15,517	3,118	<sup>3</sup> 6,653	7,406
Crops stored on and off farms <sup>4</sup> .....	2,645	<sup>3</sup> 7,837	8,030	2,645	3,340	3,056
Household furnishings and equipment <sup>5</sup> .....	4,275	6,500	7,175	<sup>5</sup> 4,275	<sup>5</sup> 6,500	<sup>5</sup> 7,175
Financial assets:						
Deposits and currency.....	3,900	14,300	14,400	3,900	14,300	14,400
United States savings bonds.....	249	5,250	5,307	249	5,250	5,307
Investments in cooperatives.....	826	<sup>3</sup> 1,995	<sup>6</sup> 2,179	826	<sup>3</sup> 1,995	<sup>6</sup> 2,179
Total.....	53,788	<sup>3</sup> 126,864	142,775	53,788	<sup>3</sup> 76,555	78,182
<b>CLAIMS</b>						
Liabilities:						
Real-estate debt.....	6,586	<sup>3</sup> 5,407	5,828	6,586	<sup>3</sup> 5,407	5,828
Non-real-estate debt:						
To principal institutions:						
Excluding loans held or guaranteed by Commodity Credit Corporation.....	1,504	2,838	3,372	1,504	2,838	3,372
Loans held or guaranteed by Commodity Credit Corporation.....	445	1,719	806	445	1,719	806
To others <sup>7</sup> .....	1,500	2,400	2,800	1,500	2,400	2,800
Total liabilities.....	10,035	<sup>3</sup> 12,364	12,806	10,035	<sup>3</sup> 12,364	12,806
Proprietors' equities.....	43,753	<sup>3</sup> 114,500	129,969	43,753	<sup>3</sup> 64,191	65,376
Total.....	53,788	<sup>3</sup> 126,864	142,775	53,788	<sup>3</sup> 76,555	78,182

<sup>1</sup> The margin of error of the estimates varies with the items.

<sup>2</sup> 1940 valuation of farm land and buildings. This figure does not reflect net physical improvements in farm buildings, or net depletion of productivity of agricultural lands.

<sup>3</sup> Revised.

<sup>4</sup> Includes all crops held on farms for whatever purpose and crops held in bonded warehouses as security for Commodity Credit Corporation loans. The latter on Jan. 1, 1951, in current values totaled 306 million dollars.

<sup>5</sup> Estimated valuation for 1940 plus purchases minus depreciation since then.

<sup>6</sup> Preliminary.

<sup>7</sup> Tentative. Includes individuals, merchants, dealers, and other miscellaneous lenders.



# Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	5-year average		Oct. 15, 1950	Sept. 15, 1951	Oct. 15, 1951	Effective parity price Oct. 15, 1951	
	Base period price 1910-14 <sup>1</sup>	January 1935- December 1939					
Basic commodities:							
Cotton (pound).....	cents	\$ 12.4	10.34	38.90	33.73	36.21	33.98
Wheat (bushel).....	dollars	\$ .884	.837	1.91	2.07	2.10	2.42
Rice (cwt.).....	do	1.97	1.65	4.99	4.00	4.71	5.58
Corn (bushel).....	do	\$ 3.642	.691	1.37	1.65	1.64	1.76
Peanuts (pound).....	cents	\$ 4.8	3.55	10.7	11.0	10.4	13.2
Designated non-basic commodities:							
Potatoes (bushel).....	dollars	\$ 1.12	.717	.858	1.23	1.39	\$ 1.83
Butterfat in cream (pound).....	cents	27.2	29.1	62.8	68.4	69.9	77.0
Milk, wholesale (100 lb.) <sup>6</sup> .....	dollars	1.70	1.81	4.28	4.64	4.86	4.81
Wool (pound).....	cents	20.1	23.8	69.0	66.9	65.9	56.9
Other non-basic commodities:							
Barley (bushel).....	dollars	\$ 6.19	.533	1.12	1.17	1.23	\$ 1.53
Cottonseed (ton).....	do	26.10	27.52	81.50	66.10	69.90	73.90
Flaxseed (bushel).....	do	1.67	1.69	2.96	3.41	3.78	4.73
Oats (bushel).....	do	\$ 3.399	.340	.735	.775	.819	\$ .981
Rye (bushel).....	do	\$ 3.720	.554	1.27	1.46	1.52	\$ 1.77
Sorghum, grain (100 lb.).....	do	\$ 1.21	1.17	1.63	2.12	2.17	\$ 2.99
Soybeans (bushel).....	do	1.00	.954	2.03	2.59	2.62	2.83
Sweetpotatoes (bushel).....	do	.908	.807	1.54	2.87	2.71	2.57
Beef cattle (100 lb.).....	do	7.02	6.56	24.20	29.50	29.00	19.90
Chickens (pound).....	cents	11.1	14.9	22.7	25.2	24.2	31.4
Eggs (dozen).....	do	\$ 21.5	21.7	43.2	55.0	55.6	\$ 53.0
Hogs (100 lb.).....	dollars	7.57	8.38	19.20	19.70	20.30	21.40
Lambs (100 lb.).....	do	7.71	7.79	26.00	29.80	29.80	21.80
Veal calves (100 lb.).....	do	7.84	7.80	27.20	32.80	32.70	22.20
Oranges, on tree (box).....	do	\$ 4.29	1.11	1.57	1.63	1.55	\$ 3.73
Apples (bushel).....	do	1.02	.90	1.98	2.01	1.91	2.89
Hay, baled (ton).....	do	\$ 11.87	11.20	20.60	21.30	21.90	\$ 29.20

<sup>1</sup> Adjusted base period prices 1910-14, based on 120-month average January 1941-December 1950 unless otherwise noted.

<sup>2</sup> Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

<sup>3</sup> 60-month average, August 1909-July 1914.

<sup>4</sup> 10-season average 1919-28.

<sup>5</sup> Transitional parity, 90 percent of parity price computed under formula in use prior to Jan. 1, 1950.

<sup>6</sup> Prices received by farmers are estimates for the month.

<sup>7</sup> Preliminary.

## Outlook Highlights

(Continued from page 9)

### Livestock and Meat

Consumers will have more beef to eat next year than this. More cattle and calves will go to market. Cattle-men this year built up herds rapidly, adding 6 or 7 million head to the 84 million on hand last January 1. Cattle slaughter this year is at a 10-year low and calf slaughter at an 18-year low. The larger slaughter in prospect for the coming year is not likely to result in substantial declines in prices of cattle and calves, although some reductions may occur at times of largest marketings.

The number of hogs raised may ease off somewhat in 1952, after rising for the last 5 years. An important factor here is the reduction in feed supplies relative to number of livestock and poultry to be fed. Hog prices in 1952 are not expected to change much from 1951.

### Dairy Products

Prices for milk and other dairy products probably will average higher in 1952. But the gain in farmers' cash receipts from dairy products probably will be offset by higher costs, so net income won't change much from 1951.

(Continued on page 16)



# Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) <sup>1</sup>	Total income of industrial workers (1935-39=100) <sup>2</sup>	Average earnings of factory workers per worker (1910-14=100)	Wholesale prices of all commodities (1910-14=100) <sup>3</sup>	Index numbers of prices paid by farmers (1910-14=100)			Index numbers of prices received by farmers (1910-14=100)			
					Com-modities	Wage rates for hired farm labor <sup>4</sup>	Com-modities, interest, taxes, and wage rates	Livestock and products			
								Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average.....	58	50	100	100	100	100	100	100	100	100	100
1915-19 average.....	72	90	152	158	149	147	148	147	153	162	157
1920-24 average.....	75	122	221	160	159	181	168	159	163	121	140
1925-29 average.....	98	129	232	143	151	184	161	161	155	145	152
1930-34 average.....	74	78	179	107	117	121	124	105	94	83	91
1935-39 average.....	100	100	199	118	124	121	125	119	108	117	115
1940-44 average.....	192	<sup>5</sup> 237	315	159	148	211	152	169	145	166	162
1945 average.....	203	292	389	154	179	359	189	230	194	207	210
1946 average.....	170	277	382	177	197	387	207	197	197	248	241
1947 average.....	187	330	436	222	230	419	239	272	219	329	287
1948 average.....	192	356	472	241	250	442	259	300	235	361	314
1949 average.....	176	328	478	226	240	430	250	251	219	311	272
1950 average.....	200	369	516	236	246	<sup>6</sup> 425	255	247	181	340	278
<i>1950</i>											
October.....	216	405	540	247	253	428	261	261	201	358	296
November.....	215	406	542	251	255	-----	263	267	209	357	299
December.....	218	416	556	256	257	-----	265	272	249	360	311
<i>1951</i>											
January.....	221	416	556	263	262	450	272	286	203	391	323
February.....	221	419	556	268	267	-----	276	285	205	425	340
March.....	222	427	563	269	272	-----	280	280	217	428	343
April.....	223	427	565	268	273	479	283	273	215	428	340
May.....	223	424	563	267	272	-----	283	270	221	418	335
June.....	<sup>5</sup> 221	420	569	265	272	-----	282	269	217	422	335
July.....	213	422	563	<sup>6</sup> 262	271	475	282	272	222	414	332
August.....	217	428	562	260	271	-----	282	277	231	416	336
September.....	219	-----	569	259	271	-----	282	283	247	411	337
October.....	-----	-----	-----	-----	272	476	283	294	247	410	340

Year and month	Index numbers of prices received by farmers (1910-14=100)								All crops and live-stock	Parity ratio <sup>6</sup>
	Crops									
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Truck crops	All crops		
1910-14 average.....	100	100	100	100	100	100	-----	100	100	
1915-19 average.....	193	161	183	175	201	126		171	164	
1920-24 average.....	147	125	189	197	155	157	7 152	162	150	
1925-29 average.....	141	118	169	150	135	146	145	143	148	
1930-34 average.....	70	76	117	77	78	98	104	84	88	
1935-39 average.....	94	95	172	87	113	95	95	99	107	
1940-44 average.....	123	119	241	138	170	150	164	145	154	
1945 average.....	172	161	360	178	228	244	207	203	206	
1946 average.....	201	196	376	237	260	250	182	227	234	
1947 average.....	270	249	374	272	363	212	226	263	275	
1948 average.....	250	250	380	270	351	174	214	252	285	
1949 average.....	219	170	398	245	242	199	201	223	249	
1950 average.....	224	187	402	280	276	200	185	232	256	
1950										
October.....	219	188	426	327	300	207	138	238	268	
November.....	224	192	428	346	351	194	188	250	276	
December.....	233	202	436	339	366	202	211	258	286	
1951										
January.....	240	214	442	347	374	192	324	275	300	
February.....	254	222	440	351	379	204	333	283	313	
March.....	245	221	437	359	386	202	265	276	311	
April.....	247	222	438	363	385	209	225	275	309	
May.....	244	223	438	357	380	194	239	271	305	
June.....	240	217	438	353	358	200	189	263	301	
July.....	236	213	438	329	317	175	204	252	294	
August.....	234	215	430	291	294	207	181	244	292	
September.....	233	216	423	283	288	201	161	239	291	
October.....	239	219	445	304	296	188 <sup>7</sup>	171	247	296	

<sup>1</sup> Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

<sup>2</sup> Computed from data furnished by Bureau of Labor Statistics and Interstate Commerce Commission on payrolls in mining, manufacturing, and transportation; monthly data adjusted for seasonal variation. Revised January 1950. <sup>3</sup> Bureau of Labor Statistics.

<sup>4</sup> Farm wage rates simple averages of quarterly data, seasonally adjusted. <sup>5</sup> Revised.

<sup>6</sup> Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis. <sup>7</sup> 1924 only.

# Outlook Highlights

(Continued from page 14)

## Feeds

Our feed reserves will continue downward in the current feeding year. Total supply of concentrates for the year is 176 million tons, 4 percent less than in the two previous years. More concentrates will be fed than in any year since World War II. Consumption probably will exceed 1951 production by 8 to 10 million tons. This would leave reserves below pre-war average in relation to livestock numbers and production.

## Fats and Oils

Prices of fats and oils began this season at about the same level as at the beginning of 1950-51 but are not expected to make the sharp rise that occurred last fall and winter. United States output is expected to total about 12.6 billion pounds, a new record. Supplies of food fats are large enough to hold consumption and exports at high levels and still leave increased stocks at the end of the year.

## Wheat

Prospects are for a large wheat crop in 1952, if growing conditions are average. Prices for the 1952 crop are to be supported at a minimum of \$2.17 per bushel.

## Fruit

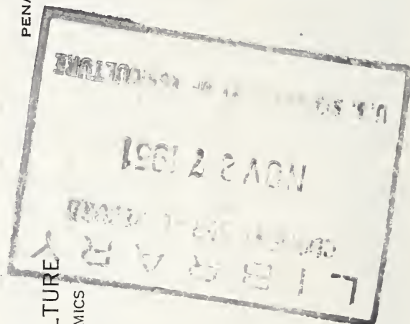
Consumer demand is expected to be stronger next year. Demand from processors may be weaker because of larger canned carry-over. With average weather, less deciduous fruit probably will be produced than in 1951. Under these conditions, prices of deciduous fruits probably will average about the same as in 1951.

Larger production and somewhat lower prices are expected for oranges in 1951-52 than in 1950-51. The reverse is in prospect for grapefruit.

## Vegetables

Output of fresh vegetables in the first quarter of 1951 probably will be considerably larger than a year earlier when bad weather cut production. If

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this occurs, prices probably will be lower than those of early 1951.

## Cotton

Most of this year's large cotton crop—estimated at 16.9 million bales in October—will be consumed in the United States or exported by the end of the season. Carry-over next August is expected to be only about 3 million bales.

## Tobacco

United States cigarette manufacture, which takes close to 80 percent of all tobacco used in the United States, is likely to top the 1951 record level. Exports of unmanufactured tobacco are expected to continue near 1951 levels.